

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2330 – SB 2588

February 6, 2012

SUMMARY OF BILL: Requires the fiscal note for a bill imposing a criminal penalty or increasing an existing criminal penalty to include a cost-benefit analysis of the cost to the state of Tennessee if such bill does not become law.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$20,000/One-Time
Exceeds \$500,000/Recurring**

Assumptions:

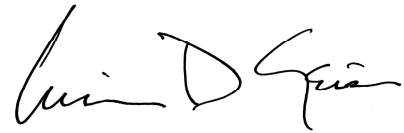
- The fiscal impact of this bill is dependent upon several unknown factors such as the number of bills proposed in the future that impose criminal penalties or increase existing criminal penalties; the varying degrees of qualitative and quantitative data that will be required for conducting multiple cost-benefit analyses; the extent to which Fiscal Review Committee (FRC) staff will have to rely on other governmental agencies to provide required data; the extent to which FRC staff will have to rely on private business entities to provide other required data; the extent of computer programming and computer hardware that will be required for housing and processing such additional data; and the extent of statistical and actuarial expertise required for conducting sound and reliable cost-benefit analyses.
- Based on the increase in workload and the time constraints to comply with the requirements of this bill, the Committee will require two actuarial positions and two legislative research analyst positions at a recurring cost of \$253,592 (\$63,398 x 4 positions) which includes salary (\$50,000), benefits (\$7,515), and insurance (\$5,883) for each position.
- The following software modules would be needed to conduct the additional statistical analyses: Base – used for writing, manipulating data, generating reports in a variety of formats, and calculating medians, means, standard deviations, and tests of significance; Stat – used for a wide array of statistical analyses such as regression and clustering; Graph – used to generate a variety of high-resolution charts, graphs and maps from the data collected; and ETS –used to perform various econometrics and time services analyses. The costs for these modules are approximately \$882 per license per user for all four modules. These are desktop licenses and would have to be purchased separately for each user. Recurring costs of \$3,528 (\$882 x 4 positions).

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- Consulting cost of \$50,000 will be required to assess the costs/benefits to private sector businesses; to research the criminological and sociological impact of such bills; and to provide meaningful input.
- The Committee staff will depend on various departments to provide additional detailed information on each bill as it impacts a specific area. Based on discussions with departmental staff, a recurring cost exceeding \$200,000 will be needed for additional support staff from various agencies.
- An increase in one-time costs of \$20,000 which includes (\$5,000 x 4 positions for a computer, office equipment, and related items).
- Total recurring costs of \$507,120 (\$253,592 + \$50,000 + \$3,528 + \$200,000).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', written in a cursive style.

Lucian D. Geise, Executive Director

/lsc